

**UTAH STATE TAX COMMISSION
NOTICE OF PROPOSED NEW RULE OR RULE CHANGE**

The proposed rules were submitted to the State of Utah Division of Administrative Rules on May 13, 2010.

Proposed Rules or Change:

Rule Number: R865-9I-13

Title: Pass-Through Entity Withholding Pursuant to Utah Code Ann. Sections 59-10-116, 59-10-117, 59-10-118, 59-10-1403.2, 59-10-1405.

Summary: **The proposed amendments indicate when a pass-through entity is not required to withhold Utah income on a pass-through entity taxpayer; clarifies how the income is determined for purposes of withholding; and includes provisions for withholding when the pass-through entity is a S Corporation, at the same time, repealing the rule that had contained those provisions.**

Rule Number: R865-9I-21

Title: Return by Partnership Pursuant to Utah Code Ann. Sections 59-10-507 and 59-10-514.

Summary: **The proposed amendments indicate the forms a partnership is required to file with the commission; modifies the provision allowing a partnership to satisfy the return filing requirements by simply maintaining records to apply only if the partnership is not a pass-through entity taxpayer.**

Rule Number: R865-9I-56

Title: Determination of Amounts Withheld by a Pass-Through Entity that is an S Corporation.

Summary: **This rule is repealed because the language in the rule is being amended into R865-9I-13, and the same amendments made in that rule will apply to an S Corporation.**

The Public comment on this rule will end on 07/01/2010. This proposed rule was published in the Utah State Bulletin and posted on our website at www.tax.utah.gov.

Public comments on this rule can be addressed to the attention of Commissioner Michael Cragun and emailed to taxrules@utah.gov, faxed to 801-297-3919, or mailed to The Office of the Commission, Utah State Tax Commission, 210 N. 1950 W. Salt Lake City, Utah 84134. For questions, please call Cheryl Lee at 297-3900. Full text of rules can be found at www.tax.utah.gov. If you would like to receive notice of future rule items, email clee@utah.gov with your name, email address and request to be added to the Tax Commission rules list server.

Those who need special accommodations in accordance with the American Disabilities Act may call (801) 297-3811. Please give up to three working days notice to arrange accommodations. Hearing impaired callers may call the Telecommunication Device for the Deaf (TDD) at (801) 297-3819 .

A copy of this notice was posted in the front foyer of the Tax Commission Building, Salt Lake City, Utah and on the Tax Commission Website at www.tax.utah.gov. The Commission public information officer also provided copies of this notice for the news media via electronic transmission.

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